

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION
Community Nutrition Programs
Child and Adult Care Food Program

Guidance Memorandum 2: For Child and Adult Care Food Program Sponsoring Organizations and Independent Centers

Topic: Rates of Reimbursement Effective July 1, 2009

Date: July 2009

I. REIMBURSEMENT RATES

The Child and Adult Care Food Program provides cash reimbursement to help cover the cost of providing nutritious meals to program participants. The two types of reimbursements are:

- A. Program Payments — Based upon the number of meals served to enrolled participants multiplied by the rates of reimbursement effective July 1, 2009, through June 30, 2010, listed below.

	<u>Breakfast</u>	<u>Lunch/Supper</u>	<u>Snack (Supplement)</u>
Non-Needy	\$.26	\$.25	\$.06
Reduced	1.16	2.28	.37
Free	1.46	2.68	.74

- B. Cash-in-Lieu-of Commodities — A cash reimbursement of \$0.1950 for each lunch or supper served will be paid this fiscal year based upon the results of the annual survey to determine the preference for USDA commodities or cash.

II. CLAIM PROCESSING

The Federal Aids and Audit Section computes the amount of reimbursement due to each sponsor.

First, the percentage of enrolled participants eligible for non-needy, reduced, and free reimbursement rates is calculated using the enrollment figures reported in Section I of the claim form. Then each of the three percentages (rounded to a whole number) is multiplied by the total number of each type of meal served to participants. Finally, the number of non-needy, reduced, and free participants' meals (rounded to whole numbers) is multiplied by the applicable meal rate.

As an example, assume a center serving lunches and breakfasts has a total enrollment of 30, that 8 participants are eligible for the free category, 7 participants are eligible for the reduced category, and 15 participants are eligible for the non-needy category. The percentage for each need category would be:

8	in the free category	÷	30 enrolled	=	27 percent
7	in the reduced category	÷	30 enrolled	=	23 percent
15	in the non-needy category	÷	30 enrolled	=	50 percent

These percentages are then multiplied by the total number of participant meals claimed that month:

Breakfast: 400 claimed					
Free	27% x 400	=	108		
Reduced	23% x 400	=	92		
Non-needy	50% x 400	=	<u>200</u>		
400 breakfasts served to enrolled participants this month					

Lunch: 440 claimed					
Free	27% x 440	=	119		
Reduced	23% x 440	=	101		
Non-needy	50% x 440	=	<u>220</u>		
440 lunches served to enrolled participants this month					

Reimbursement Due

108	free breakfasts	x	\$ 1.46	\$157.68
92	reduced breakfasts	x	1.16	106.72
200	non-needy breakfasts	x	.26	52.00
119	free lunches	x	2.68	318.92
101	reduced lunches	x	2.28	230.28
220	non-needy lunches	x	.25	<u>55.00</u>
Program Reimbursement				= \$920.60
+ Cash-in-Lieu-of Commodity Reimbursement (440 lunches x \$0.1950)				= <u>85.80</u>
Total Reimbursement				= <u>\$1006.40</u>

A spreadsheet is available on the DPI CACFP website that can be used to estimate monthly and annual reimbursement in various situations. Enter the estimated number of participants in the non-needy, reduced, and free categories, then enter the estimated number of meals that would be claimed in a typical month. Formulas within the spreadsheet will perform the necessary calculations and the estimated monthly and annual totals will be shown in the lower right corner. The spreadsheet can be found at <http://dpi.wi.gov/fns/centermemos.html> under *Guidance Memorandum 2*.